



Patrick W. Henning, Director



Arnold Schwarzenegger  
Governor

April 2, 2008  
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Mr. Sal Vaca, Director  
City of Richmond Employment and Training Program  
330 25<sup>th</sup> Street  
Richmond, CA 94804

Dear Mr. Vaca:

WORKFORCE INVESTMENT ACT  
85-PERCENT PROGRAM REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2007-08

This is to inform you of the results of our review for Program Year (PY) 2007-08 of the City of Richmond Employment and Training Program's (CRETTP) Workforce Investment Act (WIA) 85-Percent grant program operations. We focused this review on the following areas: Board composition, One-Stop delivery system, program administration, WIA activities, participant eligibility, local program monitoring of subrecipients, grievance and complaint system, and management information system/reporting.

This review was conducted by Mr. David Davis from November 5, 2007 through November 9, 2007.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by CRETTP with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2007-08.

We collected the information for this report through interviews with CRETTP representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of selected case files, CRETTP's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2007-08.

We received your response to our draft report on March 18, 2008, and reviewed your comments and documentation before finalizing this report. Because finding number

one was closed before draft, and your response adequately addressed finding number two cited in the draft report, no further action is required at this time. However, finding number two will remain open until we verify your implementation of your stated corrective action plan during a future onsite review. Until then, this finding is assigned Corrective Action Tracking System (CATS) number 80063.

### **BACKGROUND**

The CRETP was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2007-08, only a small part of the allocated funds were expended at the time of our review. For PY 2006-07, CRETP was allocated: \$494,619 to serve 130 adult participants; \$496,250 to serve 130 youth participants; and \$429,371 to serve 98 dislocated worker participants.

For the quarter ending September 30, 2007, CRETP reported the following expenditures for its WIA programs for PY 2006-07: \$494,619 for adult participants; \$496,250 for youth participants; and \$420,434 for dislocated worker participants. In addition, CRETP reported the following enrollments for PY 2006-07: 82 adult participants; 70 youth participants; and 51 dislocated worker participants. We reviewed case files for 30 of the 145 participants enrolled in the WIA program as of November 9, 2007.

### **PROGRAM REVIEW RESULTS**

While we concluded that, overall, CRETP is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: Memorandum of Understanding (MOU) and monitoring of One-Stop operations. The findings that we identified in these areas, our recommendation, and CRETP's proposed resolution of the findings are specified below.

#### **FINDING 1**

**Requirement:** 20 CFR 662.230(c) states, in part, that all required partners must enter into an MOU with the Local Board relating to the operation of the One-Stop system.

**Observation:** We observed that CRETP has ten workforce system partners, but only four of the MOUs are signed. All MOUs expired June 30, 2007. The CRETP indicated that the remaining six partners are scheduled to provide signed MOUs by December 14, 2007.

Subsequent to our on-sight review, on January 1, 2008, CRETP provided the remaining MOUs to CRD.

**State Conclusion:** We consider this finding resolved.

**FINDING 2**

**Requirement:** WIA 117(d)(4) requires that the Local Board, in partnership with the Chief Elected Official (CEO), shall conduct oversight of the One-Stop delivery system.

WIAD00-7 states, in part, that the Local Board, in partnership with the CEO, shall oversee activities of the One-Stop delivery system established pursuant to WIA. Specifically, the Local Board must develop plans and procedures for the oversight of the One-Stop delivery system. Furthermore, WIAD00-7, states, in part, that the oversight of the One-Stop delivery system shall require the Local Board to systematically follow-up on findings to ensure that necessary corrective action is completed.

**Observation:** We observed that CRETP has not performed oversight and monitoring of its One-Stop delivery system for PY 2006-07, but indicated they plan to combine it with their PY 2007-08 monitoring review.

**Recommendation:** We recommended that CRETP provide CRD with copies of the completed monitoring reports for PYs 2006-07 and 2007-08.

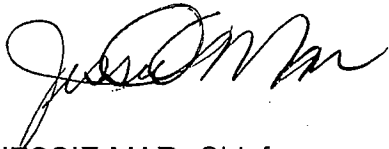
**CRETP Response:** CRETP stated that the monitoring reports were completed for PYs 2006-07 and 2007-08, and provided CRD with copies of both report. They further stated that they have developed a monitoring schedule to require annual On-Site Monitoring to be conducted by the Site Manager and/or the MIS Administrator, and the On-site review will be accomplished by June of each program year.

**State Conclusion:** CRETP's stated corrective action should be sufficient to resolve this issue and no further corrective action is required. However, we cannot close this issue until we verify, during a future onsite visit, CRETP's successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 80063.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is CRETP's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain CRETP's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mr. Jim Tremblay at (916) 654-7825 or Mr. David Davis at (916) 654-8332.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar", written in a cursive style.

JESSIE MAR, Chief  
Compliance Monitoring Section  
Compliance Review Division

cc: Ron Addy, MIC 50  
Shelly Green, MIC 45  
Jose Luis Marquez, MIC 50  
Dathan O. Moore, MIC 50